

ARKANSAS STATE BOARD OF PUBLIC ACCOUNTANCY

Karen Garrett CPA, President
Wade Turner CPA, Secretary
Jeremy Watson CPA, Treasurer
Robert Redfern CPA



Mike Watts CPA, JD
Lloyd Franklin CFE
Jim Gately EdM

Jimmy Corley CPA
Executive Director

MEETING MINUTES BOARD MEETING April 24, 2015

A regular meeting of the Arkansas State Board of Public Accountancy was held in Suite 450 of the Main Street Mall building on April 24, 2015 with Karen Garrett, President, presiding. Other members of the Board in attendance were: Wade Turner, Jeremy Watson, Michael Watts, Robert Redfern, and Jim Gately. Members of the staff in attendance were: Jimmy Corley, Executive Director; Dale Edge, Investigator; Tim Montgomery, Investigator; Mark Ohrenberger, Legal Counsel; Alan Fortney, IT Manager; and April Murphy, Administrative Analyst. Also in attendance was Brian Thompson of the Arkansas Society of Accountants.

CALL TO ORDER

Ms. Garrett officially called the meeting to order at 9:06 am. A quorum was found to be present.

APPROVAL OF MINUTES

A motion was made and seconded to approve the minutes, as presented, of the January 9, 2015 Board meeting. The motion passed unanimously.

TREASURER'S REPORT

A motion was made and seconded to approve the December 2014, January 2015, February 2015 and March 2015 Treasurer's Reports, as presented. The motion passed unanimously.

COMMITTEE REPORTS

COMPLIANCE

Mr. Watson presented the Board with 22 complaints that can be closed at this time.

The Compliance Committee has met twice.

Twenty-six new complaints:

Eleven unregistered or non-licensees holding out.
Five Licensees with DOL or SEC with audit issues.
Three Moral Character issues.
Two inactive licensees holding out.
Three external complaints.
One failed peer review.
One branch office violation.

Requesting closure of 22 complaints – 2 by Consent Order:

- 1) **C11-081 – (Cert #4821)** – External complaint alleging conduct unbecoming. Complainant failed to respond to request for additional information and documentation. Complainant has ceased communication with the Board. Requesting closure.
- 2) **C13-030 – (Cert #2297)** – External complaint alleging substandard work. Complainant failed to respond to request for additional information and documentation. Complainant has ceased communication with the Board. Requesting closure.
- 3) **C13-129 – (Registr. #821C)** – Licensee associated with un-registered entity. Licensee has complied with requests to remove references to CPA in ‘tax-practice’ only company. Requesting closure with no further action.
- 4) **C14-038 – (Cert #2961)** – Licensee failed to renew license, has surrendered certificate. Requesting closure with no further action.
- 5) **C14-076 – (Cert #1450R)** – Respondent had 2013 substandard QR has now completed 16 hours remedial CPE. Requesting closure with no further action.
- 6) **C14-106 – (Registr. #872C)** – External complaint alleging substandard work. Complainant failed to respond to request for additional information and documentation. Licensee is an out of state firm and has surrendered their Arkansas Firm registration. Requesting closure.
- 7) **C14-125 – (Cert #3330)** – Licensee failed to renew with Board for 2014. Resolved via hearing H14-059. Licensee’s CPA certificate was revoked. Requesting closure.
- 8) **C14-173 – (Registr. #7SP)** – Firm audit was identified as substandard by AR DHS. Licensee has agreed to complete Peer Review within 6 months. Requesting closure with no further action.

- 9) **C14-179 – (Cert #2394)** – External anonymous complaint alleging substandard work. Based on review of information readily available and the lack of communication from a person(s) with a vested interest, requesting closure with no further action.
- 10) **C14-180 – (Non-Licensee)** – Non-Licensee holding out as an accountant has agreed to use disclaimer language. Requesting closure with no further action.
- 11) **C14-185 – (Cert #4585R)** – Unregistered firm, after further review no violation found. Requesting closure with no further action.
- 12) **C15-001- (Registr. #28LP)** – Regional firm with SEC violation. Violation did not involve AR Clientele. Requesting closure with no further action.
- 13) **C15-004- (Non-Licensee)** – Non-Licensee holding out as an accountant, has agreed to use disclaimer language. Requesting closure with no further action.
- 14) **C15-005 – (Cert #6736)** – Licensee said yes to moral character question on 2015 renewal. Licensee checked yes in error, no violation found. Requesting closure with no further action.
- 15) **C15-007 – (Registr. #77LP)** – Regional firm entered into CO with another state. Violation did not involve AR Clientele. Requesting closure with no further action.
- 16) **C15-008 – (Registr. #5LP)** – National firm with SEC violation. Violation did not involve AR Clientele. Requesting closure with no further action.
- 17) **C15-012 – (Cert #6414)** – Inactive CPA holding out without inactive disclaimer. Licensee has agreed to make correction. Requesting closure with no further action.
- 18) **C15-015 – (Non-Licensee)** – Non-Licensee firm holding out as an accounting firm in AR. Owner (former public accountant) has acknowledged error and will take corrective action immediately. Requesting closure with no further action.
- 19) **C15-016 – (Cert #1463)** – Unregistered firm, after further review no violation found. Requesting closure with no further action.
- 20) **C15-019 – (Cert #7761)** – Inactive CPA with white page listing. Phone number linked to successor firm to which licensee sold his firm in 2005. Licensee is in process of resolving. Requesting closure with no further action.

A motion was made and seconded to close 20 complaints, listed above as items 1-20. The motion passed unanimously.

CONSENT ORDERS

- 1) **C14-018 - Consent Order (Cert #1546)** – Licensee was performing Governmental Audits without a current Peer Review. Licensee agrees to pay an \$18,500 penalty, to be paid in monthly installments (licensee has paid December 2014 through April 2015 installments), to have a Peer Review completed by May 31, 2015 and to be under pre-issuance review from November 21, 2014 until six months after completion of current Peer Review.

A motion was made and seconded to close C14-018 by Consent Order. The motion passed unanimously.

- 2) **C14-175 - Consent Order (Cert #4542)** – Applicant's CPA certificate became void on or about January 1, 2009 for failure to renew. Applicant is requesting re-licensure to inactive status pursuant to A.C.A. § 17-12-504(h)(1). Applicant has agreed to the consent order, completed her background check, and paid current and prior year fees 2015, 2006 -2008 and late fees for a grand total of \$580.00. Requesting closure by Consent Order.

A motion was made and seconded to close C14-175 by Consent Order. The motion passed unanimously.

Other Compliance Issues

Request to Board

C14-012 – (Cert #7562) – Unregistered Firm (closed via consent order November 2014) Licensee was assessed a \$6,000 penalty, Compliance Committee originally approved plan where he paid \$500 per month Dec –March and \$4,000 balance due in April. Licensee has now requested to continue \$500 a month payment plan with final payment due November 2015. Licensee has currently paid \$2,000 December –March..

A motion was made and seconded to approve the requested payment plan. The motion passed unanimously.

Permission to Issue Notices of Hearing

A motion was made and seconded to grant permission to issue thirty-nine (39) Notices of Hearing for licensees and firms who failed to renew their license for 2015 . The motion passed unanimously.

OLD BUSINESS

None.

NEW BUSINESS

Remedial College Courses

Mr. Corley led a discussion on remedial college courses and it was determined that remedial courses would not count toward exam requirements.

OTHER BUSINESS

Swearing-In Ceremony

This year's Swearing-In Ceremony will take place on June 6th, 2015 at the Capitol Building in Little Rock, AR.

NASBA Regional Meetings

There will be six Board members in attendance at NASBA's Western Regional Meeting take place June 17-19, 2015 in Coronado, CA.

FTC vs. NC Dental Board case update

Mr. Ohrenberger gave a presentation on this case and the topic of regulating unlicensed activity.

Wall Certificates and Secretary of State's Signature

The staff will request a signature stamp from the Governor instead. If that request is denied, the signature will be eliminated from the certificate altogether.

Office Space Update

The Board is still analyzing opportunities.

Strategic Planning Meeting

The Board does not see a need for a meeting at this time.

September Board Meeting Date

A motion was made and seconded to move the meeting scheduled for September 18, 2015 to October 2, 2015. The motion passed unanimously.

Board Legal Counsel

A motion was made and seconded to appoint Mark Ohrenberger as “Legal Counsel.” The motion passed unanimously.

APPLICATIONS AND SURRENDERS

A motion was made and seconded to approve the applications and surrenders subject to review by a Board member. The motion passed unanimously.

NEW ACTIVE LICENSES

9322 Xi Ai	9336 Matthew Przybysz
9323 Brooks Aitchison	9337 Cory Sanders
9324 Samantha Akers	9338 Lauren Sanders
9325 Chase Breeding	9339 Jennifer Shaw
9327 John Curtis	9340 Britney Smith
9328 Rachel Edwards	9341 Amanda Tankersley
9329 Morgan Headley	9342 Andrew Taylor
9330 Kelsi Hogg	9343 Lindsey Thomas
9331 Elyse Knobloch	9344 Brian Thompson
9332 Lisa Lachowsky	9345 Emilio Trujillo
9333 Marcus Orrell	9347R Jayme Holt
9334 Nicole Pickett	9348R Richard Keach
9326 Ping Bu	9349R Shannan Knudsen
9335 Trusha Patel	9350R Randy Waldrup

*"R" denotes Reciprocal License

UPGRADES/CONVERSIONS

2419 Cliff Barnes	7462 Quantina Rush
8577 Jerry Ellis	3767 David Swanson
4471R William Lessly	3698 Bryan Webster
5813 Douglas Nelson	6611 Shannon Worthen

NEW FIRM LICENSES

216LC Ames CPA Firm LLC	894C Bill Biggers, CPA LTD
217LC Christian Vaught CPA PLLC	895C MKFrench, Certified Public Accountant, Ltd.
218LC Dennis G. Jenkins, C.P.A., LLC	896C Shelton Harvey & Garner, PA
219LC Keller & Owens	897C Zach Wojtek, CPA, Inc.
220LC Mauldin Vaught PLLC	898C Holthouse Carlin & Van Tright LLP
95LP Johnson Lambert, LLP	

REPLACEMENT CERTIFICATE/FIRM NAME CHANGE

214LC Elliot Davis	9197 Jeremy Byford
7893 Susan Ashmore	6346 Barbara Lussiano
9223 Lisette Washispack	

INACTIVE STATUS

7310 Deborah Bays
5137 Dawn Carlton
6161 Rosalyn Car
7990 Charles Lamey

4695 Hugh Riner
2491 Michael Sanders
8588 Amber Selig
7167 George Wanstrath

RETIRED STATUS

3947 Thad Beagle
2806 Sharon Bossung
579 Emery Brown
6167 Wanda Dean
1295 Billy Jo Cabaniss, Jr.
6167 Wanda Dean
1656 Patrick Doolittle
1837 Donna Franklin
891 Byron Gruber, Jr.
1302 Linda Hammer

6725 Daniel Herold
1939 Leo Herrman
4623R Mitzi Kimbrough
1148 William Kinneman
1152 Jacquelin Long
5596 Khursheed Omer
965 Jimmy Parkerson
8374R John Porter
1371 Peggy St. John

SURRENDERS

9166R Jamie Ackles
88LP Battelle Rippe Kingston LLP
106LC Beth Stout Public Accountant PPLC
2961 Richard S. Buchanan
135LC CLB Advisory Services, LLC
776 Melvin Dietz
8497R David Dilulis
6474R Jeffery Eggert
269C George Wallace Johnson Jr. CPA, PA
63LP Hartman Leito & Bolt, LLP
133LC Hartog Kallenberger Swarthout, PLLC
9046R Karl Hertel
225C James Ingram, CPA, PA
784C Jamison Money Farmer, PC
6758R Dennis G. Jenkins, CPA
9058R Justin Kavalir
8137R Robert Labounty
3812 David Little
789C Ludington, Ltd
8555R Carol Ludington

5301 Deadra Mayhew
4681 John McCullough
4541 Daniel McDonald
3141 Betty McKenney
4148 Pamela Morgan
130 Charles Partlow
857C Pat Perzel, CPA, PA
6638 Rosemary Prieto
352C Randy Perryman, CPA, PA
1588 Stanley Rauls
184LC Robinson CPA, LLC
3594 Jonni Robinson
4627R Ronald Salmon
8746R Trevor Schmidt
3597R Hellen Stout
7538 Pamela Taylor
1358 James D. Watson
3152 Betty Wiles
5366 Anita Zeiler-Stroh

DECEASED

0454 John J. Price

ADJOURNMENT

At 12:31 pm, a motion was made and seconded to adjourn. The motion passed unanimously.